

FILED

OCTOBER 29, 1985

NEW JERSEY STATE BOARD
OF MEDICAL EXAMINERS

ORIGINAL

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STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF MEDICAL EXAMINERS

IN THE MATTER OF AN INQUIRY :
INTO THE BILLING PRACTICES OF :
GUNNAR M. HENNING, D.C. :

ADMINISTRATIVE ACTION

FINAL ORDER

This matter was opened to the Board upon receipt of a patient complaint indicating that Dr. Henning may have billed a higher amount for the same treatment if a patient were utilizing insurance rather than paying cash. Dr. Henning appeared before the Executive Committee on February 27, 1985 accompanied by Joe Strauss, Esq. and later submitted further information in response to a Demand for Statement in Writing Under Oath.

Dr. Henning conceded that a letter dated April 19, 1983 was sent over his signature to a patient including the following statements:

The price of an office visit at our office is \$18.00 for a standard chiropractic spinal manipulation. This is what we charge all cash patients. If additional procedural therapy time is required as it is in your case we add an additional time charge of seven dollars. In some cases on an individual basis the seven dollar additional therapy time charge may be waived as it is for many patients that pay as they go. This saves us much time and paper work in the insurance end. If a patient requests as you did "to wait to see what the

insurance pays", it requires a long waiting period on our part plus much additional paper work Remember Bill you get what you pay for. Also please remember, we charge \$18.00 for an office visit. The only time a charge of an additional \$7.00 is made is when the patient places us in a full insurance billing position that warrants additional procedural therapy time (emphasis added).

Dr. Henning claimed this letter to be the work of a secretary no longer with the office and not properly reflecting his billing policies. Dr. Henning did concede that the complaining patient was given two receipts for \$18.00 by "a brand new secretary," while the insurance company was actually billed \$25.00 for each of these visits. However, he asserted that the secretary was in error.

Dr. Henning explained that \$18.00 represented the fee for a regular manipulation while \$25.00 represented the fee for added services. He state categorically that there are "no extra, additional, or higher charges associated with the fact that a patient has insurance." He produced some 44 patient billing records intended to demonstrate that patients with or without insurance are charged the same fees for the same services, but these do not refute the possibility that part of the billed fee may be waived for patients who pay cash at each visit.

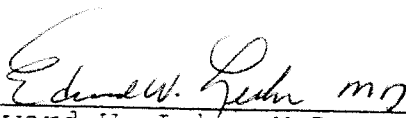
It is the position of the Board that to charge one patient more than another solely because the patient is not paying cash but is relying on insurance constitutes professional misconduct. Dr. Henning denies engaging in this practice. However, he cannot and does not deny that formal typed correspondence was sent to a patient on his letterhead explicitly admitting to a system of such "two-tiered billing". While he now disavows the contents of

this letter, it seems unlikely that a secretary would have independently developed the detailed information discussed therein. At any rate, as head of the office, Dr. Henning had a duty to review and verify all correspondence sent in his name, and a liability for the consequences of said correspondence. Therefore, and for good cause shown, it is on this 21st day of October 1985 hereby Ordered and Agreed that:

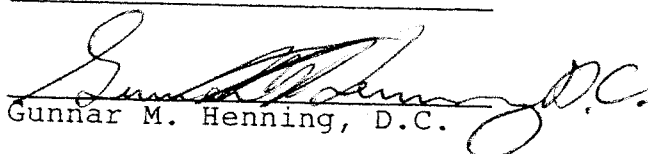
1. Gunnar M. Henning, D.C. shall refrain from charging different fees for the same services on the basis of method of payment, although nothing herein shall prevent Dr. Henning from reducing or waiving a fee based upon personal factors individual to each patient.

2. Dr. Henning shall be and hereby is reprimanded for maintaining inappropriate billing practices.

3. Dr. Henning shall within ten (10) days pay a civil penalty of ~~\$1,500.00~~ ^{\$1,500.00} by certified check made out to the State of New Jersey.


Edward W. Luka, M.D.
President

Consented as to
Form and Entry


Gunnar M. Henning, D.C.

Joe E. Strauss,
Attorney for Dr. Henning